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In search of the perfect exam room

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Who can you trust at tax time?

veterinary economics

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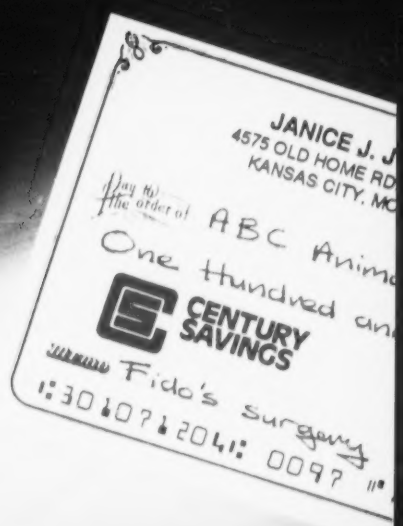
CATCH THOSE BOUNCING CHECKS!



A GUIDE TO COLLECTING YOUR DUE

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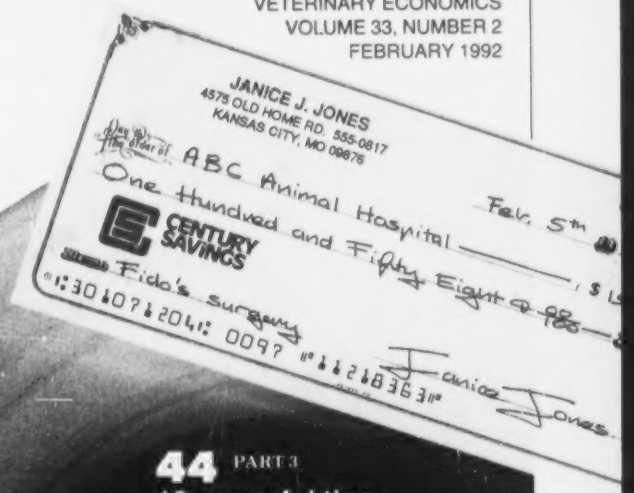

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MEMO FROM THE EDITOR

Burned up by collections?

Conventional wisdom says that a child will learn not to touch the stove after he's been burned once. Yet many veterinarians tell us, "Every time we let someone charge, we get burned." Presumably, clients who can't or won't pay up-front elicit your compassion, call forth your aversion to conflict—and stifle your baser desire to be paid. The problem is that veterinarians who get burned also say that they're angry about it. They're tired of being taken advantage of, tired of carrying heavy accounts receivable, tired of not being able to pay their bills because clients won't pay theirs.

Getting tough about collections, however, doesn't jibe with being nice, and it's not a pleasant task in the first place. But if you finally decide that you're "mad as hell and not going to take it anymore," then somebody has to get tough. The good news is that the FTC has put all sorts of limitations on just how tough you can be, which opens the door for you to be merely firm—yet still effective. The articles in this issue offer the basics and the rationale for such effective collections. Among the authors' recommendations: that you write down clients' work addresses, act like you *expect* to be paid, and turn over the task of collections to someone with the guts (or the instructions) to *ask* to be paid.

I understand that it's tough to be tough. I hate telling those of you who call for information that you have to pay for reprints. I convince myself that your silence or your protests mean you won't like me or the magazine anymore. I'd much rather talk to you about your practice, send whatever help I can, and conveniently forget to ask you for any money. So what do I do? Summon up the courage to ask, or turn the hard part over to someone else on the staff. And what do you do? You pay for the reprints and keep reading the magazine.

If you're still stuck between your anger about not being paid and your guilt about asking to be paid, consider what hospital administrator Jay Beeber says about clients who try to cheat you: "Why *not* take such clients to court? Aren't veterinarians professionals, with the same right to be paid for their services as anyone else? If you want to treat someone's pet for free, by all means do it. But shouldn't you be the one to decide who benefits from your charity—not vice versa?"

Good point. And ample reason to protect yourself from those burns.

Becky Turner

Rebecca R. Turner

veterinary economics

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ently punctured an artery.

Instinctively, I clamped the palm of my hand over the wound to stop the bleeding. I directed my assistant to remove the cat from the room—one less thing to deal with—and proceeded to replace my hand with a pressure bandage as quickly as possible. Emergency medical care was then sought.

In the next room, my assistant was holding the cat on the exam table. He rolled the cat over and found the entire underside of the cat streaked with the owner's blood.

I'm sure you can guess the rest: The client was forthright about informing us of his HIV status —he is positive. Not only was I potentially exposed by assisting the client without gloves, but so was my assistant by handling the bloody cat.

If you think AIDS education doesn't apply to veterinary medicine, trust me—it does. I'm getting tested for HIV in three months, even though I did *not* have any scratches or wounds on my hands. I'm thankful that this didn't happen last month when an "attack cat" raked me across the palm of my hand with his hind feet. That wound was open and sore for about a week.

Our hospital policy now requires all employees to wear gloves if they ever need to assist a client with scrubbing a wound.

Think about it.

Julia Allen, DVM

NEW CAMPAIGN ENCOURAGES RESPONSIBLE PET OWNERSHIP

More than 80 leaders from the veterinary profession gathered in St. Louis, Mo., last month to help launch Ralston Purina's "Caring for Pets" campaign.

Dr. Paul King, Ralston's director of veterinary marketing, says the ongoing, multiyear program will emphasize responsible pet ownership, and the vital role veterinarians play in total pet care. "By this fall, we'll have had the opportunity to reach every household in this country," he says.

Both individual veterinarians and VMAs are invited to participate in Caring for Pets. Ralston Purina will provide news releases, pamphlets, photos, fact sheets, posters, and so on, to help with client education, speaking engagements, workshops, and media relations.

The campaign begins this month in Los Angeles, the first stop on a 21-city media tour featuring campaign spokesperson Dr. Debbye Turner. Among the topics to be covered during the campaign: pet selection, vaccination schedules, behavior training, nutrition, dentistry, and geriatric programs. For information, call (800) 222-8387. ■

Ralston Purina worked with consumer and veterinary focus groups to develop the Caring for Pets logo.

SNAPSHOT: LARGE ANIMAL PRACTITIONERS

Percent who are male	92.7	Percent partners in multidoctor practice	33.2
Percent who are female	7.3	Percent employed doctors	16.1
Average number of years in practice	15.6	Average client transaction fee	$95.40[2]
Average number of client visits per week	44.7[1]	Average charge for an office call	$18.00[3]
Average number of hours worked per week	58.0	Average individual gross income	$141,700
Average number of DVMs per practice	2.7	Average individual net income	$55,900
Percent solo practitioners	49.5	Average practice gross income	$430,200

[1]Includes both farm calls and in-clinic visits. [2]Includes clinical procedures, drugs, and merchandised products. [3]Includes exam.
Net income figures represent take-home pay of full-time practicing veterinarians and are tabulated before personal taxes.
Figures do not include profits reinvested in the practice.
Source: VETERINARY ECONOMICS' 1991 financial survey. For survey methodology, see the September 1991 issue, page 33.

CHALLENGE 1992

PAYING YOUR GROOMERS AND KENNEL WORKERS

In part 2 of his salary survey report, Owen McCafferty, CPA, discusses compensation trends for these two important staff positions.

By Owen E. McCafferty, CPA CONTRIBUTING FINANCIAL EDITOR

Editor's note: Last month, we kicked off a four-part series of reports based on a salary survey conducted by Owen McCafferty and VETERINARY ECONOMICS. *In part 1, McCafferty pointed out that the purpose of the survey is to take a look at veterinary practices today, and to identify trends that may affect your practice in the future. He also noted that the figures do not account for 1990 and 1991 inflation, and should be carefully considered in tandem with his commentary. The next survey will be conducted in the April issue, and you're encouraged to participate.*

In last month's report, McCafferty discussed technicians, receptionists, bookkeepers, office managers, and practice managers. Here, he takes a look at groomers and kennel workers.

For the purposes of this survey report, we focused on the salaries of groomers as employees. We found, for example, that the average reported pay per hour for groomers is $5.64, with a reported minimum wage of $3.35 an hour and a maximum of $10 per hour. As a percentage of gross income, most practices devote about 1.54 percent to grooming, but the responses vary from 0.25 percent up to 4 percent.

On an annual basis, groomers earn an average of $11,182, with the range starting at $2,000 and rising to $28,717. Groomers work about 1,361 hours per year; it's important to note, however, that in many cases, grooming activities are probably mixed in with technician and receptionist duties. We did encounter a few practices with full-time groomers, most of whom worked a normal workweek without overtime.

Most of the doctors who responded to the survey say they employ one groomer. Groomers receive vacation and holiday time —as well as other benefits—on a par with other staff positions, but they're allowed less sick time. The continuing-education benefit proves low as well, with practices spending about $126, and allowing about 1.67 days, per year on CE for their groomers.

In future articles, I'll discuss the trend toward paying groomers a percentage of gross income, and on paying them as employees rather than as independent contractors. I'll then discuss compensation for both classifications. (For more on personnel classification, see "Which Is It? Independent Contractor or Employee?" in the May 1990 issue, page 74.)

Kennel staff

The backbone of any practice is the kennel staff. Their two most important roles: keeping the practice clean and odor-free, and monitoring the status of patients on a constant-care basis.

The survey shows that kennel workers are paid, on average, $4.93 per hour, with $3.02 per hour the minimum reported pay and $9 the maximum reported pay. The minimum may be a serious problem, because it falls below minimum wage.

I assume that the practice report-

THE AUTHOR heads a Cleveland, Ohio, accounting firm devoted to tax and practice management assistance for veterinarians.

GROOMERS

AVERAGE ANNUAL HOUR AND PAY STATISTICS

	Average	Minimum	Maximum
Pay per hour	$5.64	$3.35	$10.00
Pay as % of practice gross	1.54%	0.25%	4.0%
Pay per year	$11,181.56	$2,000.00	$28,717.00
Number of hours worked	1,361.17	250.0	2,080.0
Number of groomers/practice	1.09	0.5	2.0
Number of vacation hours	59.88	40.0	96.0
Number of holiday hours	51.08	40.0	96.0
Number of sick hours	37.71	16.0	48.0

AVERAGE ANNUAL BENEFITS STATISTICS

	Average	Minimum	Maximum
Contribution for pension/ profit sharing plan	$611.67	$250.00	$1,200.00
Contribution for health insurance benefit	$1,060.71	$365.00	$3,180.00
Contribution for unreimbursed medical expenses	*	*	*
Contribution for child-care benefit	*	*	*
Contributions for other benefits	$213.67	$26.00	$500.00
Contribution for continuing education	$125.50	$50.00	$292.00
Number of days offered for continuing education	1.67	1.0	2.0

*None provided

ing that amount is small and doesn't engage in interstate commerce, thereby making federal minimum-wage laws inapplicable. It's possible, however, that the practice is in violation of the law and should immediately rectify the situation. (See "Understanding Wage and Hour Regulations," in the March 1991 issue, page 104.)

As a percentage of gross practice income, average pay for kennel staff comes to 3.3 percent, with a range from 0.03 percent to 8.5 percent. The low end is easily explained by one or more situations: Either receptionists and technicians doubled up on kennel duties, the practitioners did the work themselves, or family members did the work for no pay. On the high end, I suspect that the doctors classified both their technicians and their kennel staff under the kennel classification.

On an annual basis, kennel staff average about $9,415, with the range spanning from part-time help at $400 per year to well-paid help at $20,000 per year. At the $20,000 level, the kennel person probably supervises an entire staff of kennel people. For example, one practice reported employing 14 kennel people, making supervisory personnel a necessity.

Kennel staff spend, on average, 1,585 hours a year at work. Please don't be misled by this number; it includes both full- and part-time employees. In our experience, it takes 1.75 full-time kennel workers, or 3,619 hours, to staff an average hospital each year. Some practices utilize part-time work-

KENNEL STAFF

AVERAGE ANNUAL HOUR AND PAY STATISTICS

	Average	Minimum	Maximum
Pay per hour	$4.93	$3.02	$9.00
Pay as % of practice gross	3.3%	0.03%	8.5%
Pay per year	$9,414.80	$400.00	$20,000.00
Number of hours worked	1,585.0	100.0	3,120.0
Number of kennel staff/practice	1.74	0.5	14.0
Number of vacation hours	64.79	8.0	160.0
Number of holiday hours	45.68	8.0	96.0
Number of sick hours	43.51	12.0	96.0

AVERAGE ANNUAL BENEFITS STATISTICS

	Average	Minimum	Maximum
Contribution for pension/ profit sharing plan	$1,193.78	$100.00	$2,100.00
Contribution for health insurance benefit	$1,143.79	$24.00	$2,688.00
Contribution for unreimbursed medical expenses	$299.17	$45.00	$750.00
Contribution for child-care benefit	*	*	*
Contributions for other benefits	$257.78	$50.00	$850.00
Contribution for continuing education	$224.21	$20.00	$1,400.00
Number of days offered for continuing education	2.06	0.5	5.0

*None provided

ers; others employ an entire army of kennel staff.

Vacation, holiday, and sick time for kennel workers is comparable among all levels of support staff. Pension and profit-sharing contributions are naturally lower given the lower payroll. However, because health insurance is based on the number of people as opposed to compensation amount, medical costs prove comparable.

Continuing education expenditures are lower for kennel staff than for any other segmented group. Kennel staff receive, on average, $224 and about two days a year for CE. The amount is comparable with that given technicians ($278 and almost 3 days), primarily due to the blending of duties between the two positions. In the future, that blending is likely to stop, with the job duties more defined and delineated. At that time, more money and time will be spent on CE for technicians, and less on kennel staff, because technicians in this role will move away from it.

A final comment, which I'll include in each report: Please understand that your ability to pay salaries is contingent strictly on your ability to generate income. If you find these salary payments unacceptable or below the standard you hope to pay, consider raising your fees. The pool of dollars within your practice is limited, but if you receive a just fee for services rendered, you then can pay a just fee to your most valuable asset—your employees. ■